

**RECORD OF PROCEEDINGS
MINUTES
of the
Board of Water Commissioners**

Denver Water Administration Building
1600 West 12th Avenue
Denver, CO
Board Room, Third Floor

Wednesday August 10, 2016

Open Session

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday August 10, 2016, beginning at 9:00 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado. Members of the Board present during the Regular Meeting were:

Penfield W. Tate, III, President
John R. Lucero, First Vice President
Thomas A. Gougeon, Vice President
H. Gregory Austin, Vice President

Board employees and others present during portions of the meeting were:

J.A. Anderson, Chief of Staff	B.D. Good, Chief Administrative Services Officer
A.C. Bricmont, Chief Financial Officer	J.S. Lochhead, CEO/Manager
G. Cagle, Chief Human Resources Officer	R.J. Mahoney, Chief Engineering Officer
S. Covington, Chief Public Affairs Officer	T.J. Roode, Chief Operations and Maintenance Officer
P. Daukas, <i>Acting</i> Chief Planning Officer	P.L. Wells, General Counsel
C.R. Dermody, Chief Information Officer	E. Martinez, Director HR-Total Rewards
K. Bates, Attorney	B. Maulis, Contract Specialist
T. Bryant, Controller	P. McCormick, Engineer Senior
P. Carey, Purchasing & Contract Manager	M. Price, Director Business Operations
A. Chavez, Contract Specialist	J. Seagren, Community Relations Senior Specialist
A. Chotiner, Business Operations Manager	U. Sharma, Treasurer
P.B. Coleman, Chief Internal Auditor	A. Smokoff, Intern – Business/Technical
T. Cristiano, Finance Manager	R. Stitt, Planner Lead
M. Garfield, Customer Relations Manager	
D. Hamm, Division Analyst	
Y. Her, Contract Supervisor	

Denver Water aspires to be the best water utility in the nation.

Integrity :: Vision :: Passion :: Excellence :: Respect



D. Judd, GIS Manager
J. Lorton, Accounting Manager

R. Woolf, Intern – Business/Technical
L. Thompson, GRS

I. INTRODUCTORY BUSINESS

Commissioner Tate called the meeting to order at 9:20 a.m.

Upon motion regularly made, seconded and unanimously carried, Commissioner Herzmark was found to be absent for substantial cause and was excused.

Public Comment and Communications

Commissioner Tate issued an invitation to members of the public to comment to the Board on any matters not included in the Agenda for the meeting. There was no comment.

II. ACTION ITEMS

Upon motion regularly made, seconded and unanimously carried by the Commissioners then present, unless otherwise noted, the Board acted upon the following agenda items:

1. ITEM II-A-1: MINUTES OF

The reading of the Minutes of the Regular Meeting of July 13, 2016 was dispensed with and such Minutes were approved.

The Minutes of the Executive Session of July 13, 2016 were approved.

2. ITEM II-A-2: MINUTES OF

The reading of the Minutes of the Regular Meeting of July 27, 2016 was dispensed with and such Minutes were approved.

The Minutes of the Executive Session of July 27, 2016 were approved.

3. ITEM II-A-3: WASTE REMOVAL IN OUTLYING AREAS – CONTRACT 16757A-C

Approved Contract 16757A (internal dollar holding contract), Contract 16757B with Waste Management of Colorado, Inc. and Contract 16757C with Mountain View Waste Systems, LLC for waste removal services for the contract period of

October 1, 2016 through September 30, 2016 for a total contract amount not to exceed \$113,500.00.

4. ITEM II-A-4: MOBILE REFUELING SERVICES – CONTRACT 16654A

Approved Contract 16654A with 1380 Management Company, d/b/a Equipment Savers, for refueling services for the contract period of August 10, 2016 through July 31, 2019 for a total contract amount not to exceed \$500,000.00.

5. ITEM II-A-5: TABULATION OF PROPOSALS FOR FOOTHILLS TREATMENT PLANT IMPRESSED CURRENT CATHODIC PROTECTION SYSTEMS – CONTRACT 16659A

Awarded Contract 16659A to Guarantee Electrical Contracting for Foothills Treatment Plant Impressed Current Cathodic Protection Systems for the contract period of July 27, 2016 through May 21, 2017 for a total contract amount not to exceed \$1,625,115.00.

The Tabulation of Proposals is attached to and incorporated in these Minutes as Exhibit A.

6. ITEM II-A-6: TABULATION OF BIDS FOR DENVER INTERNATIONAL AIRPORT 2016 VAULT IMPROVEMENTS – CONTRACT 16044A

Awarded Contract 16044A to Interstate Highway Construction, Inc. for the Denver International Airport 2016 Vault Improvements for the contract period of August 10, 2016 through November 18, 2016 for a total contract amount not to exceed \$704,000.00.

The Tabulation of Proposals is attached to and incorporated in these Minutes as Exhibit B.

7. ITEM II-A-7: AGREEMENT WITH AECOM TECHNICAL SERVICES, INC. FOR NORTH SYSTEM RENEWAL WATER TREATMENT PLANT (NSRWTP) DESIGN PACKAGE #1 – SITE AND CIVIL IMPROVEMENTS – CONTRACT 16811A

Approved Contract 16811A with AECOM Technical Services, Inc. for NSRWTP Design Package #1 – Site and Civil Improvements, Preliminary Design Phase Services for the contract period of August 10, 2016 through March 31, 2017 for a total contract amount not to exceed \$1,050,137.00.

8. ITEM II-A-8: AGREEMENT WITH CH2M HILL ENGINEERS, INC. FOR NORTH SYSTEM RENEWAL WATER TREATMENT PLANT (NSRWTP) DESIGN PACKAGE #2 – TREATMENT PROCESS SYSTEMS AND STRUCTURES – CONTRACT 16836A

Approved Contract 16836A with CH2M Hill Engineers, Inc. for NSRWTP Design Package #2 – Treatment Process Systems and Structures, Preliminary Design Phase for the contract period of August 10, 2016 through March 31, 2017 for a total contract amount not to exceed \$2,040,814.00.

9. ITEM II-A-9: RATIFICATION OF CONSTRUCTION CONTRACTS, CHANGE ORDERS AND AMENDMENTS TO CONTRACTS/AGREEMENTS

Ratified Construction Contract Change Orders, Amendments, and Amendments to Agreements authorized in June and July 2016 as follows:

Change Order No. 3 with Mortenson Construction for the Construction of the Operations Complex Redevelopment Project Work Package No. 3 – Phase 1 Demolition;

Change Order No. 1 with Concrete Works of Colorado, Inc. for Vault Modifications 2015/2016; and

Amendment No. 1 to Contract 16503A with Garney Construction for Moffat Tunnel Collection System Vasquez-St. Louis Collection Conduit Siphon No. 1 Phase II Pipe Replacement;

all as more particularly described in the attachment to Agenda Item ITEM II-A-9.

10. ITEM II-A-10: SETTLEMENT AGREEMENT – CONTRACT 16588E

Approved Contract 16588E for \$100,000.00.

.

III. POLICY PRESENTATIONS

11. ITEM III-A: 2016 2ND QUARTER FINANCIAL FORECAST

Mr. Cristiano presented the Board with the 2nd Quarter Financial Forecast, a copy of which is attached to and incorporated in these Minutes as Exhibit C. He noted that Denver Water experienced a \$13 million reduction in the forecast of water sales, and noted that he expects that the July and August budget for water sales will be met. He stated that overall there is a 1% variance from the budget, which

includes items such as: \$3.6 million of salaries were reallocated to capital projects; Operations & Maintenance experienced reduced chemical costs; \$1 million was paid for the WISE Project; and the North System upgrades experienced a \$4.5 million overage.

Ms. Bricmont stated that there is no forecasted overages for the salary budget at this time.

12. ITEM III-B: 2016 MID-YEAR CHECK-IN

Mr. Lochhead presented the Board with a 2016 Mid-Year Check-In, which is attached to and incorporated in these Minutes as Exhibit D. He noted that the executive team is working to refresh the Strategic Plan, which was adopted five years ago. They will review the true north metrics for the organization and tie them to the four perspectives in the Plan.

Additionally, Mr. Lochhead highlighted several of Denver Water's achievements to date, including: 1) a significant reorganization, with a new Division of Administration, Chief of Staff and Office of General Counsel; 2) achieving AAA bond rating and outstanding low interest rates on bond issuances; 3) 401 certification for the Gross Reservoir Project; 4) OCR developments; 5) successful ORCA delivery and implementation; 6) adoption of a new rate structure for added income stability; 7) completion of the compensation study and consolidation of job families; 8) adoption of a PTO plan; 9) implementation of a new IRP; 10) partnership with CSU for the National Western site; 11) beginning the North Water Treatment Plan design process; 12) leading the nation in the effort to replace lead service lines; and 13) launching an IT strategy review.

Commissioner Tate said that these accomplishments are impressive. In response to his question regarding the employee survey results regarding career development, Ms. Cagle stated that one of the outcomes of the compensation study is a solid foundation on which to build a career development program, including training and support and meaningful metrics. One important aspect of this program will be to educate employees to think about developing careers by taking advantage of opportunities across divisions, as well as vertical opportunities within divisions.

Commissioner Tate asked about Human Resource's approach to diversity, and Ms. Cagle responded that Denver Water has a strong approach to diversity, with an inclusion team among the Talent section. Commissioner Tate requested more information at a future meeting.

Mr. Lochhead reported that one of the major efforts for 2017 will be to develop a financial management philosophy which will demonstrate overall fiscal and financial responsibility for the entire organization. Ms. Anderson is leading this effort, the first step of which will be to create a number of themes which have specific deliverables and metrics, so that staff can understand the finances at any given point in time and so that Denver Water can have strong governance in place. Ms. Bricmont said that this effort will ultimately result in a set of formal financial procedures.

Mr. Lochhead informed the Board that Denver Water held an employee appreciation event on August 4, 2016, recognizing the 25th anniversary of Denver Water's car show and awarding the Values Awards to the following individuals:

Huey Wooten for Integrity

Terri Bryant for Vision

Jim Chesley for Passion

Travis Thompson for Excellence

Bev Hottor for Respect

Commissioner Tate congratulated the award winners.

IV. BRIEFING PAPERS & REPORTS

13. ITEM IV-A-1: 2016 RATE STRUCTURE ANALYSIS

The Board received a Briefing Paper on the 2016 Rate Structure Analysis, a copy of which is attached to and incorporated in these Minutes as Exhibit E.

14. ITEM IV-A-2: LUPTON LAKES GROUNDWATER CUTOFF WALLS

The Board received a Briefing Paper on the Lupton Lakes Groundwater Cutoff Walls, a copy of which is attached to and incorporated in these Minutes as Exhibit F.

15. ITEM IV-B: CFO REPORT

Ms. Bricmont reported that the Operations & Maintenance and Engineering Divisions have participated in a pilot change to the Board item templates, which

involves replacing the budget box with a narrative to provide clearer information. In response to Commissioner Tate's comment that this format is more understandable, Ms. Bricmont said that all Divisions will use the new format in the future.

16. ITEM IV-C: OPERATIONS REPORT

Mr. Roode provided the Board with an update on the Strontia Springs sediment project. He said that staff recently completed maintenance on the emergency reservoir drain system on the outlet at the dam to learn whether sediment could be removed to allow for a hydro power flow path. Complete closure was not possible, so staff will use an alternative approach by dropping a seal at the front of the dam. Engineering has issued an RFP for a broader study of sediment at the reservoir.

VI. ADJOURNMENT

No further business appearing, the Board voted unanimously to adjourn into a Trustee Meeting at approximately 10:07 a.m.

TRUSTEE MEETING

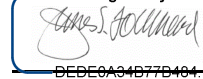
The Board of Water Commissioners, serving in their capacity as Trustees of the Employees' Retirement Plan Trust Fund and as Sponsor of the Supplemental Retirement Savings Plan of the Board of Water Commissioners of the City and County of Denver, met on Wednesday August 10, 2016, commencing at 10:07 a.m., in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado. The Minutes of the Trustee Meeting are maintained separately. The Trustee Meeting concluded at 10:23 a.m., at which time the Board voted unanimously to adjourn Executive Session.


EXECUTIVE SESSION

On Wednesday August 10, 2016, commencing approximately at 10:25 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado, the Board of Water Commissioners met in Executive Session. The following matters, which are authorized by C.R.S. § 24-6-402 or D.R.M.C. § 2-34, were discussed during the Executive Session:

1. Attorney-Client Matters § 24-6-402(4)(b)

There being nothing further for the Board to consider, the Executive Session concluded at approximately 11:27 a.m.

DocuSigned by:

DEDE0A34B77D484...
Secretary

DocuSigned by:

FA00060E4F60412...
President